

## Message Text

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ACTION EUR-12

INFO OCT-01 EA-09 NEA-10 IO-13 ISO-00 SSO-00 NSCE-00  
USIE-00 INRE-00 SP-02 AID-05 EB-08 NSC-05 CIEP-02  
SS-15 STR-04 OMB-01 CEA-01 CIAE-00 FRB-01 INR-07  
NSAE-00 XMB-04 OPIC-06 LAB-04 SIL-01 L-03 H-02 PA-02  
PRS-01 AGRE-00 OES-06 INT-05 FEA-01 ABF-01 /132 W  
-----092235Z 115209 /64

O R 091824Z FEB 77  
FM AMEMBASSY LONDON  
TO TREASURY DEPT WASHDC IMMEDIATE  
SECSTATE WASHDC IMMEDIATE 475  
INFO AMEMBASSY BONN  
AMEMBASSY BRUSSELS  
AMEMBASSY DUBLIN  
AMEMBASSY NEW DELHI  
AMEMBASSY PARIS  
AMEMBASSY ROME  
AMEMBASSY TOKYO  
USMISSION EC BRUSSELS  
USMISSION OECD PARIS  
USDEL MTN GENEVA  
USDOC WASHDC  
AMCONSUL BELFAST  
AMCONSUL EDINBURGH

UNCLAS SECTION 1 OF 4 LONDON 2335

DEPARTMENT PASS FEDERAL RESERVE BOARD

TREASURY FOR DONALD E. SYVRUD, OASIA

E.O. 11652: N/A  
TAGS: ECON, UK  
SUBJECT: ECONOMIC DEVELOPMENTS - PERIOD, FEB. 3 - FEB. 9

SUMMARY: THERE WAS A SIGNIFICANT IMPROVEMENT IN THE  
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LEVEL OF THE U.K.'S INTERNATIONAL RESERVES IN JANUARY.  
SHORT-TERM INTEREST RATES CONTINUED TO FALL, AND THE BANK  
OF ENGLAND FELT IT COULD NO LONGER TIE ITS MINIMUM LEND-  
ING RATE TO THE TREASURY BILL RATE. BANKING STATISTICS  
CONTINUE TO SHOW REDUCED LEVELS OF ELIGIBLE LIABILITIES.  
JANUARY WHOLESALE PRICE RISES WERE UNEXPECTEDLY LARGE.  
HIRE PURCHASE AND OTHER INSTALMENT CREDIT CONTINUES ITS

GROWTH. SURVEYS OF BUSINESS CONFIDENCE BY THE FINANCIAL TIMES AND THE CONFEDERATION OF BRITISH INDUSTRIES ARE CAUTIOUSLY OPTIMISTIC. END SUMMARY.

1. THE BANK OF ENGLAND, FINDING THAT IT COULD NO LONGER CONTROL THE DOWNWARD MOVEMENT IN THE MINIMUM LENDING RATE (MLR) SUSPENDED ITS NORMAL PROCEDURE FOR DETERMINING THE RATE. THE BANK DICTATED A 1/4 PERCENT REDUCTION TO 12 PERCENT IN THE MLR ON FEBRUARY 3, AVOIDING A MARKET DETERMINED REDUCTION THAT WAS EXPECTED TO BE MUCH GREATER. (SEE LONDON 2009.)

2. THE U.K.'S INTERNATIONAL RESERVES ROSE BY \$3,067 MILLION DURING JANUARY TO STAND AT \$7,196 MILLION. THIS LARGE INCREASE REFLECTS, AMONG OTHER THINGS, THE IMF DRAWING, UNWINDING OF LEADS AND LAGS, AND FLOWS ASSOCIATED WITH THE ELIMINATION OF STERLING FINANCE OF THIRD COUNTRY TRADE. (SEE LONDON 1943.)

3. INTEREST RATES HAVE CONTINUED TO FALL DURING THE WEEK. YIELDS ON MONEY MARKET ASSETS OF UNDER THREE MONTHS SHOWED PARTICULARLY SHARP DECLINES ON THE ORDER OF 3/4 PERCENT. YIELDS ON GILTS ALSO DECLINED, ALTHOUGH BY ONLY 1/4 PERCENT ON THE LONGER ISSUES. THE MAJOR CLEARING BANKS LOWERED THEIR BASE LENDING RATE ANOTHER 1/2 PERCENT TO 12-1/2 PERCENT ON FEBRUARY 3. THE DIFFERENT RATES OF DECLINE FOR LONG AND SHORT-TERM YIELDS, AND THE RECORD LEVELS OF BIDS AT THE WEEKLY TREASURY BILL AUCTION ARE NOT UNEXPECTED, GIVEN THE HEAVY SALE OF GILTS UNCLASSIFIED

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OVER THE PAST MONTHS, COUPLED WITH THE SUBSTANTIAL REDUCTION IN OUTSTANDING TREASURY BILLS.

4. THE BANK OF ENGLAND RELEASED ITS MONTHLY STATISTICS ON THE ELIGIBLE LIABILITIES, RESERVE ASSETS, RESERVE RATIOS AND SPECIAL DEPOSITS OF THE BANKING SECTOR FOR THE BANKING MONTH ENDED JANUARY 19. THE SEASONALLY UNADJUSTED FIGURES SHOWED A CONTINUED CONTRACTION OF THE BANKING SYSTEM'S LIABILITIES IN THE FACE OF HEAVY GILT SALES AND PROSPECTIVE PENALTIES IMPOSED BY THE "CORSET". THE CORSET REQUIRES THAT EXCESSIVE GROWTH IN INTEREST-BEARING ELIGIBLE LIABILITIES (IBEL) OVER AN AUGUST-OCTOBER BASE PERIOD BE OFFSET BY PROGRESSIVELY LARGER INTEREST-FREE DEPOSITS AT THE BANK OF ENGLAND.

LEVEL JAN. 19 CHANGE ON MONTH

(MILLIONS OF POUNDS)

ELIGIBLE LIABILITIES	36,144	-732
IBELS	25,002	-429
SPECIAL DEPOSITS	1,082	-740

RESERVES            5,219            140  
RESERVE RATIO    14.4 PERCENT    0.6 PERCENT  
THE LARGEST CHANGES IN THE COMPOSITION OF RESERVE ASSETS  
WERE AN INCREASE OF 322 MILLION POUNDS IN MONEY AT CALL  
IN THE DISCOUNT MARKET, AND A DECLINE OF 321 MILLION  
POUNDS IN U.K. AND NORTHERN IRELAND TREASURY BILL HOLD-  
INGS. BALANCES WITH THE BANK OF ENGLAND AND OTHER MONEY  
PLACED AT CALL SHOWED SUFFICIENT INCREASES TO ACCOUNT  
FOR THE OVERALL RISE IN RESERVES.

THE LARGE DECLINE IN SPECIAL DEPOSITS AND THE COMFOR-  
TABLE INCREASE IN THE RESERVES OF THE BANKING SYSTEM CAN  
BE ATTRIBUTED TO THE BANK OF ENGLAND'S RELEASE OF APPROX-  
IMATELY 720 MILLION POUNDS IN SPECIAL DEPOSITS ON JANUARY  
17, TWO DAYS BEFORE THE JANUARY 19 MAKE-UP DATE.

THE PRESS POINTS OUT THAT ALTHOUGH THE BANKING SYSTEM  
AS A WHOLE IS WELL WITHIN THE CORSET NOW, THE LONDON

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UNCLAS SECTION 2 OF 4 LONDON 2335

DEPARTMENT PASS FEDERAL RESERVE BOARD

TREASURY FOR DONALD E. SYVRUD, OASIA

CLEARING BANKS ARE NOT AND SPECULATES THAT THE CLEARERS  
WILL IN FACT ACCEPT SOME OF THE PENALTIES SPECIFIED BY  
THE CORSET RATHER THAN SQUEEZE THEIR BORROWERS EXCESSIVELY.  
SUCH SPECULATION SHOULD, HOWEVER, BE WEIGHED AGAINST  
THE ABILITY OF INTERBANK TRANSACTIONS TO EVEN OUT THE  
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DISTRIBUTION OF IBELS WITHIN THE BANKING SYSTEM --  
THROUGH, FOR EXAMPLE, A LONDON CLEARING BANK'S LOAN TO  
AN AFFILIATE BANK, WHICH LOAN IS REGARDED IN AN ACCOUNTING  
SENSE AS AN OFFSET TO THE CLEARER'S IBELS AND AN  
ADDITION TO THE AFFILIATE'S.

5. WHOLESALE PRICES. THE DEPARTMENT OF INDUSTRY RELEASED  
WHOLESALE PRICE STATISTICS FOR JANUARY WHICH SHOWED UNEX-  
PECTEDLY LARGE INCREASES. THE INDEX FOR MANUFACTURING  
OUTPUT PRICES INCREASED 3.2 PER CENT IN JANUARY OVER  
DECEMBER AND 19.6 PERCENT OVER JANUARY 1976. THIS EQUALS  
THE HIGHEST MONTHLY INCREASE ON RECORD, SET IN JANUARY  
1975. THE INDEX FOR RAW MATERIAL AND FUEL PRICES  
INCREASED 2.5 PERCENT IN JANUARY OVER DECEMBER AND 29.3  
PERCENT OVER JANUARY 1976. THESE SERIES ARE NOT SEASONALLY  
ADJUSTED AND THE DEPARTMENT OF INDUSTRY EXPLAINS THE  
LARGE INCREASES AS SPECIAL FACTORS SUCH AS THE NORMAL  
BUNCHING OF PRICE CHANGES IN JANUARY, TAX INCREASES ON  
ALCOHOL AND TOBACCO, AND SHARP FOOD PRICE RISES.  
THREE QUARTERS OF THE JUMP IN THE MATERIAL AND FUEL  
INDEX IS ASCRIBED TO OPEC'S DOLLAR PRICE INCREASES WHICH  
BECAME EFFECTIVE IN JANUARY.

THE PRESS DISCOUNTED THE SPECIAL FACTORS. AFTER THE  
DECEMBER FIGURES SHOWED ONLY A 1.1 PERCENT RISE IN OUTPUT  
PRICES AND AN 0.5 PERCENT DECLINE IN MATERIAL AND FUEL  
PRICES, A SUBSTANTIAL RISE IN JANUARY WAS ANTICIPATED BUT  
NOT OF THIS MAGNITUDE. THE FINANCIAL TIMES ASSERTED THAT  
THE OUTPUT PRICE INDEX INDICATED AN UNDERLYING MONTHLY  
RISE OF 1-1/4 TO 1-3/4 PERCENT, AND THAT ALTHOUGH THE  
DOLLAR PRICE OF OIL CERTAINLY ROSE IN JANUARY, THE MATERIAL  
AND FUEL INDEX MOVEMENT WAS CHECKED IN PART BY THE 2  
PERCENT AVERAGE APPRECIATION OF STERLING BETWEEN DECEMBER  
AND JANUARY. THE TIMES INDICATES THAT THE JANUARY PRICE  
INCREASES WILL MAKE THE CURRENT NEGOTIATIONS WITH THE TUC  
OVER THE NEXT STAGE OF INCOMES POLICY MORE DIFFICULT.

THE MONTHLY SERIES IS QUITE VOLATILE, SO AN INDIVIDUAL  
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MONTH'S LEVEL CANNOT SUPPORT CONCLUSIONS ABOUT TRENDS.

## WHOLESALE PRICES

1970 EQUALS 100

	OUTPUT PRICES	PRICES OF MATERIALS AND FUELS
1976 Q 1	206.9	266.5
Q 2	214.4	292.6
Q 3	223.2	306.8
Q 4	233.9	329.9 R
JANUARY 2	204.8	261.5
FEBRUARY	207.3	263.9
MARCH	208.6	274.2
SEPTEMBER	226.3	314.4
OCTOBER	230.0	327.7
NOVEMBER	234.6 R	331.8
DECEMBER R	237.2	330.1

1977

JAN P	244.9	338.2
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P - PROVISIONAL

R - REVISED

PRICES ARE NOT SEASONALLY ADJUSTED, EXCLUDE PURCHASE  
TAX BUT INCLUDE REVENUE DUTIES.

6. THE DEPARTMENT OF INDUSTRY ON FEBRUARY 7 RELEASED  
STATISTICS ON HIRE PURCHASE AND INSTALMENT CREDIT CHANGES  
DURING DECEMBER. ALTHOUGH THE SEASONALLY ADJUSTED TOTAL  
OF NEW HIRE PURCHASE AND INSTALMENT CREDIT EXTENDED APPEARS  
TO HAVE LEVELLED OFF SINCE SEPTEMBER, THE GROWTH IN  
OUTSTANDING DEBT REMAINS HIGH -- SEASONALLY ADJUSTED IT  
GREW AT A 20.3 PERCENT ANNUAL RATE IN THE FOURTH QUARTER  
OF 1976, OUTSTRIPPING THEREBY INFLATION AND INCREASES IN  
INCOME.

## HIRE PURCHASE AND OTHER INSTALMENT CREDIT BUSINESS

	POUNDS MILLIONS SEASONALLY ADJUSTED	POUNDS MILLIONS UNADJUSTED
TOTAL OF	TOTAL DEBT OUTSTAND-	

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	FINANCE HOUSES (A) & RETAILERS (B)	NEW CREDIT EXTENDED	CHANGE IN DEBT	ING TO FINANCE HOUSES & RETAILERS AMOUNT AT END OF PERIOD
1975	2,992 R	-10	-10	2,320
1976	3,606	342	342	2,662
1976 Q 1	844 R	37 R	-23	2,297
Q 2	875 R	79 R	66	2,363

Q 3	915 R	106 R	102	2,465
Q 4	972	120	197	2,662
1976 AUG.	305 R	44 R	44	2,430
SEPT.	319	36 R	35	2,465
OCT.	310 R	36 R	54	2,519
NOV.	332 R	51 R	86	2,605
DEC.	330	33	57	2,662

NOTES: A) DIRECT BUSINESS ONLY: I.E., EXCLUDING AGREE-  
MENTS BLOCK DISCOUNTED WITH FINANCE HOUSES BY  
RETAILERS.

(B) DURABLE GOODS SHOPS, DEPARTMENT STORES AND  
"OTHER INSTALMENT CREDIT RETAILERS".

(R) REVISED FIGURES.

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INFO AMEMBASSY BONN  
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TREASURY FOR DONALD E. SYVRUD, OASIA

7. THE FINANCIAL TIMES PUBLISHED ITS MONTHLY SURVEY OF BUSINESS OPINION FOR JANUARY ON FEBRUARY 7. THE SURVEY RESULTS ARE PRESENTED IN THE FORM OF FOUR MONTH MOVING AVERAGES, AND THE SURVEY RESPONDENTS ARE USUALLY GIVEN CHOICES THAT DO NOT ALLOW A GREAT DEAL OF PRECISION. ONE UNCLASSIFIED

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WOULD NOT EXPECT. AS A CONSEQUENCE, THE SURVEY RESULTS TO DRAMATICALLY CHANGE EACH MONTH. THIS MONTH'S RESULTS DO NOT, BUT THEY MAY POINT TO THE EMERGENCE OF SKILLED STAFF SHORTAGES IN A PERIOD OF CONTINUED HIGH UNEMPLOYMENT, AND TO THE RECRUDESCENCE OF INFLATIONARY EXPECTATIONS.

BUSINESS ATTITUDE TOWARD THE GENERAL BUSINESS SITUATION IS INTERPRETED TO HAVE IMPROVED IN JANUARY AND DECEMBER, (ANY MONTH NOTED HERE REFERS TO THE AVERAGE OF FOUR SUCCESSIVE MONTHS ENDING IN THE CITED MONTH), BUT TO BE ABOUT THE SAME LEVEL AS IN NOVEMBER. THIS RESULT IS NEGATIVE IN THAT THE WEIGHT OF THE RESPONDENTS IN THE LAST THREE SURVEYS WERE LESS OPTIMISTIC ABOUT THEIR COMPANY'S PROSPECTS THAN THEY WERE 12 MONTHS AGO.

EIGHTY-FOUR PERCENT OF EXPORTING COMPANIES IN THE JANUARY SURVEY EXPECT THAT EXPORTS WILL IMPROVE DURING THE NEXT TWELVE MONTHS COMPARED WITH 90 PERCENT IN DECEMBER.

THE TREND OF NEW ORDERS DURING THE LAST FOUR MONTHS WAS SAID TO BE UP BY 58 PERCENT OF THOSE RESPONDING, ABOUT THE SAME RESPONSE GIVEN IN THE THREE PREVIOUS SURVEYS.

THE EXPECTED LEVELS DURING THE NEXT TWELVE MONTHS OF RAW MATERIAL AND COMPONENT STOCKS DO NOT SHOW ANY CHANGE, WHICH IS CONSISTENT WITH PREVIOUS SURVEYS. STOCKS OF MANUFACTURED GOODS ARE GINGERLY EXPECTED TO INCREASE OVER THE YEAR WHICH IS AGAIN CONSISTENT WITH PREVIOUS SURVEYS.

INVESTMENT ATTITUDES APPEAR TO HAVE CHANGED LITTLE. FORTY-TWO PERCENT EXPECTED AN INCREASE IN THE VOLUME OF INVESTMENT OVER THE NEXT 12 MONTHS, COMPARED WITH 39 PERCENT IN DECEMBER AND NOVEMBER, AND 46 PERCENT IN OCTOBER.

EXPECTATIONS OF IMPROVING PROFIT MARGINS APPEAR TO HAVE CONTINUED TO DETERIORATE IN JANUARY. BUT EXPECTATIONS OF IMPROVED EARNINGS ON CAPITAL ARE HOLDING STEADY.

THE ONLY LARGE CHANGES IN RESPONSE TO "THE FACTORS CURRENTLY AFFECTING PRODUCTION," WERE THAT SKILLED FACTORY STAFF WAS MENTIONED BY 33 PERCENT OF THE RESPONDENTS IN UNCLASSIFIED

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JANUARY COMPARED WITH 26 PERCENT IN DECEMBER, 24 PERCENT IN NOVEMBER, AND 16 PERCENT IN OCTOBER, AND EXECUTIVE STAFF WAS MENTIONED BY 13 PERCENT IN JANUARY COMPARED WITH 3 PERCENT, 4 PERCENT AND 1 PERCENT IN THE PRECEDING MONTHS. THESE STAFF SHORTAGES ARE ONE OF THE FEW BOTTLE-NECKS TO EMERGE IN A PERIOD OF GENERAL EXCESS CAPACITY.

THE BALANCE OF OPINION IN THE SURVEY SEEMS TO HAVE SHIFTED TOWARD EXPECTATIONS OF HIGHER WAGE INCREASES. EXPECTATIONS HAVE CHANGED AS:

WAGE INCREASE (PERCENT)	JAN. (PERCENT)	DEC. (PERCENT)	NOV. (PERCENT)	OCT. (PERCENT)
0 - 4	8	12	8	22
5 - 9	45	53	59	46
10 - 14	28	19	18	12
15 PLUS	9	10	9	14
NO ANSWER	10	6	6	6

THIS SHIFT HAS NOT, HOWEVER, MANIFESTED ITSELF IN SIGNIFICANT CHANGES IN THE PATTERN OF RESPONSES ABOUT UNIT COSTS.

8. THE CONFEDERATION OF BRITISH INDUSTRY PUBLISHED ITS QUARTERLY INDUSTRIAL TRENDS SURVEY ON FEBRUARY 9. THE SURVEY HAD MIXED RESULTS, BUT ON BALANCE SHOWD INCREASED OPTIMISM ABOUT INDUSTRIAL PROSPECTS. AN INCREASED PERCENT OF RESPONDENTS IN THIS SURVEY COMPARED WITH THE SURVEY PUBLISHED IN OCTOBER INDICATED THAT THEY EXPECT TO AUTHORIZE MORE EXPENDITURE ON BOTH PLANT AND MACHINERY, AND BUILDINGS OVER THE NEXT TWELVE MONTHS THAN OVER THE LAST TWELVE. THERE WERE ALSO INCREASES IN THE PERCENT THAT ASSESSED AN UPWARD TREND DURING THE PAST AND COMING FOUR-MONTH PERIODS IN THE VALUE AND VOLUME OF OUTPUT, AND IN THE VALUE OF NEW ORDERS. ON THE OTHER HAND, THERE WERE DECLINES IN THE PERCENT THAT EXPECTED THE TREND OVER THE NEXT FOUR MONTHS TO BE POSITIVE FOR THE VALUE OF EXPORT DELIVERIES AND NEW ORDERS, WHILE EXPORTERS' OPTIMISM SEEMS UNCLASSIFIED

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TO HAVE DECLINED FROM THE OCTOBER LEVEL. THERE WAS A SUBSTANTIAL INCREASE (39 TO 47 PERCENT) OF THOSE RESPONDING THAT U.K. PRICES RELATIVE TO OVERSEAS PRICES WOULD LIMIT EXPORTERS ABILITY TO OBTAIN ORDERS OVER THE NEXT FOUR MONTHS.

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O R 091824Z FEB 77

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TO TREASURY DEPT WASHDC IMMEDIATE

SECSTATE WASHDC IMMEDIATE 478

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY DUBLIN

AMEMBASSY NEW DELHI

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TOKYO

USMISSION EC BRUSSELS

USMISSION OECD PARIS

USDEL MTN GENEVA

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DEPARTMENT PASS FEDERAL RESERVE BOARD

TREASURY FOR DONALD E. SYVRUD, OASIA

#### 9. EXCHANGE RATE AND GOLD

##### EFFECTIVE

	EXCHANGE	DEPRECIATION	GOLD
DATE	RATE (\$)	(PERCENT)	(\$)
2/2	1.7163	42.7	132-1/8

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2/3	1.7135	42.7	132-7/8
2/4	1.7150	42.7	132-3/8
2/7	1.7145	42.8	134-3/8

2/8 1.7160 42.8 134-3/4  
 CHANGE 2/1-2/8 UP 0.0010 UNCHANGED UP 2-1/8

## 10. FORWARD DISCOUNT ON STERLING

DATE	1 MONTH	3 MONTHS	6 MONTHS
2/2	1.08	3.20	5.41
2/3	1.10	3.27	5.43
2/4	1.12	3.35	5.52
2/7	1.15	3.43	5.75
2/8	1.13	3.45	5.90

CHANGE 2/1-2/8 NARROWED 0.12 WIDENED 0.08 WIDENED 0.35

(ALL FIGURES IN CENTS)

## 11. EURODOLLAR INTEREST RATES

DATE			
2/2	4-7/8	5-1/8	5-5/8
2/3	4-1/2	5-1/16	5-5/8
2/4	9-/-	5-1/16	5-1/2
2/7	4-3/4	5-1/8	5-5/8
IBWXI	4-3/4	5	5-1/2

CHANGE 2/1-2/8 UP 1/16 DOWN 1/4 DOWN HOEXI

12. THREE-MONTH LONDON INTERBANK - EURODOLLAR INTEREST  
RATE DIFFERENTIAL

DATE	
2/2	7-1/4
2/3	7-1/4
2/4	7-9/32
2/7	7-1/32
2/8	7-1/8

CHANGE 2/1-2/8 DOWN 1/2

## 13. STERLING CERTIFICATES OF DEPOSIT

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DATE	1 MONTH	3 MONTHS	6 MONTHS
2/2	12-25/32	11-31/32	11-1/2
2/3	12-1/8	11-21/32	11-13/16
2/4	12	11-5/8	11-3/8
2/7	12-3/32	11-23/32	11-7/16
2/8	12-5/32	11-11/16	11-15/32

CHANGE 2/1-2/8 DOWN 21/32 DOWN 3/4 DOWN 7/64

14. THE MINIMUM LENDING RATE WAS SET AT 12 PERCENT BY THE BANK OF ENGLAND ON FEBRUARY 3, A FALL OF 1/4 PERCENT FROM THE MLR ESTABLISHED AT THE JANUARY 28 TREASURY BILL AUCTION. THE FEBRUARY 9 TREASURY BILL AUCTION SAW THE TREASURY BILL RATE FALL 0.5100 PERCENT TO 11.2286 PERCENT, AS 1452.26 MILLION POUNDS IN BIDS WERE RECEIVED FOR 300 MILLION POUNDS TENDERED. THIS WEEK 300 MILLION POUNDS

WILL BE OFFERED AS 500 MILLION POUNDS MATURE.

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC DEVELOPMENT, REPORTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 09-Feb-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
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**Disposition History:** n/a  
**Disposition Reason:**  
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**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**From:** LONDON  
**Handling Restrictions:** n/a  
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**ISecure:** 1  
**Legacy Key:** link1977/newtext/t19770259/aaaabzyz.tel  
**Line Count:** 551  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:** Hold (001 Tobacco) added on 4/16/2009 3:39:09 PM by WASHDCMcGoldRJ, Hold (001 Tobacco) removed on 4/16/2009 3:45:08 PM by WASHDCMcGoldRJ (Litigation Hold Lifted)  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** b4dd18c9-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EUR  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 11  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 27-Oct-2004 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3366924  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ECONOMIC DEVELOPMENTS - PERIOD, FEB. 3 - FEB. 9 SUMMARY: THERE WAS A SIGNIFICANT IMPROVEMENT IN THE UNCLASSIFIED  
**TAGS:** ECON, UK  
**To:** TRSY STATE  
**Type:** TE  
**vdkgwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/b4dd18c9-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

